



Irish Life Weekly Investment Bulletin

The week that was – WEEK 09 2019 (ending 01/03/2019)

“Man is made to create, from the poet to the potter.” – Benjamin Disraeli

Irish retail sales rise 1.2% y-o-y in January – The latest figures from the Central Statistics Office show retail sales volumes rose by 1.2% in January compared with January 2018 and by 4% if Motor Trades are excluded. The sectors with the largest annual increase were electrical goods (+15.5%) and Furniture/Lighting (+8.8%).

3 Brexit vote days agreed for mid-March – The UK Parliament will vote on 12th March for the Brexit withdrawal agreement negotiated with the European Union; if this is defeated a 13th March vote to leave without a deal and if that is also defeated, a 14th March vote for a delay to Brexit beginning on the 29th March.

Global stock market up 0.4% from 22nd February to 1st March – The MSCI AC World TR Index showed a 0.38% return from 22nd February to 1st March boosted by Donald Trump quoting “substantial progress” in the potential China / U.S. trade deal. The Vix (or CBOE Volatility index) was flat on the week, finishing at 13.57.

U.S. growth of 2.6% in Q4 slower but beats estimates – The Commerce Department reported that GDP came in at an annualised rate of 2.6% in Quarter 4 last year, well above economists' estimates of 2.2% with growth for the full year of 2018 of 2.9%, matching its best performance since 2015, a post financial crash high.

Fed chief signals patience on rate rises – Comments by the Federal Reserve Chairman Jerome Powell in his semi-annual testimony to congress were taken reassuringly by markets as he stated that there are “conflicting signals and crosscurrents” in the economy suggesting continued patience on any further rate rises.

Chinese stocks hit bull market with MSCI announcement – The Shanghai Composite index was up 20% for 2019 as MSCI announced it will lift the representation of Chinese A shares to 20% from the current 5% in three steps, beginning in May. This will increase their exposure in the Emerging Markets and ACWI indices.

The Story of the week: U.S. police officers in Minnesota received a major surprise when they were contacted by a concerned citizen to check on the welfare of a man who was seen “motionless outside” in the snow in sub-zero temperatures “while “wearing no coat in the cold and hugging a pillow”. The ‘man’ turned out to be a life-size cardboard cutout of local millionaire and inventor Mike Lindell, the CEO of the popular MyPillow brand. The Jordan Police Department wrote on its Facebook page: “Those cardboard cutouts sure can look real from a distance”

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2014	2015	2016	2017	2018	2019 YTD (to 01/03)
MSCI AC World (Gross TR)	9.9	1.8	9.7	20.4	-7.2	11.2
ISEQ Overall Return	16.8	33.6	-2.7	9.7	-20.5	13.0
FTSE 100 TR	0.7	-1.3	19.1	11.8	-8.5	6.4
Euro Stoxx 50 TR	4.0	6.4	3.7	9.2	-12.0	10.6
S&P 500 TR	13.7	1.4	12.0	21.8	-4.4	12.3
Nasdaq Composite	13.4	5.7	7.5	28.2	-3.9	14.5
Nikkei 225	7.1	9.1	0.4	19.1	-10.2	7.9
MSCI Emerging Markets	2.6	-8.0	7.1	27.8	-12.2	8.4
Eurozone Government Bonds 1–5 yr	3.4	1.0	0.9	-0.2	0.0	0.1
Sovereign 10yr Bond Yields (%)	2014	2015	2016	2017	2018	2019 YTD
U.S.	2.2	2.2	2.4	2.4	2.7	2.8
German	0.5	0.6	0.2	0.4	0.2	0.2
UK	1.9	1.9	1.2	1.2	1.3	1.3
Japan	0.3	0.2	0.0	0.0	0.0	0.0
Ireland	1.3	1.1	0.7	0.7	0.9	0.8
Italy	2.1	1.6	1.8	2.0	2.8	2.7
Greece	9.6	7.9	7.1	4.1	4.4	3.6
Portugal	2.7	2.5	3.8	1.9	1.7	1.5
Spain	1.6	1.7	1.4	1.6	1.4	1.2
Central Bank Rates (%)	2014	2015	2016	2017	2018	2019 YTD
ECB	0.05	0.05	0.0	0.0	0.0	0.0
Bank of England	0.50	0.50	0.25	0.50	0.75	0.75
U.S. Federal Reserve	0.25	0.50	0.75	1.50	2.50	2.50
Foreign Exchange Rates	2014	2015	2016	2017	2018	2019 YTD
Euro/Dollar (€/\$)	1.21	1.09	1.04	1.20	1.15	1.14
Euro/Sterling (€/£)	0.78	0.75	0.84	0.89	0.90	0.86
Sterling/Dollar (£/\$)	1.56	1.46	1.24	1.36	1.28	1.32
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	5.5% (To end of Q3)
U.K.	10.9	17.9	13.3	3.6	10.3%	3.7% (To end of Q3)
U.S.	11.6	11.5	12.5	7.7	7.1%	3.7% (To end of Q3)

*Past performance is not a reliable guide to future performance and may fall as well as rise.